

Competitive Enterprise Institute's book *The Future of Financial Privacy*, published last year.

Critics of this snooping both inside and outside the postal service are howling mad that the agency's reputation for protecting the privacy of its customers is being compromised. "It sounds to me that they're going past the Treasury guidelines," says Rick Merritt, executive director of Postal Watch, a private watchdog group. The regulations, for example, do not give specific examples of suspicious activity, leaving that largely for the regulated companies to determine. But the postal-service training video points to lots of "red flags," such as a customer counting money in the line. It warns that even customers whom clerks know often should be considered suspect if they frequently purchase money orders.

The video, which Gibson says cost \$90,000 to make, uses entertaining special effects to illustrate its points. Employing the angel-and-devil technique often used in cartoons, the video presents two tiny characters in the imagination of a harried clerk. Regina Goodclerk, the angel, constantly urges the clerk to file suspicious-activity reports on customers. "Better safe than sorry," she says. Sam Slick, the devil, wants to give customers the benefit of the doubt.

Some of the examples given are red flags such as a sleazy-looking customer offering the postal clerk a bribe. But the video also encourages reports to be filed on what appear to be perfectly legal money-order purchases. A black male teacher and Little League coach whom the female clerk, also black, has known for years walks into the post office wearing a crisp, pinstriped suit and purchases \$2,800 in money orders, just under the \$3,000 daily minimum for which the postal service requires customers to fill out a form. He frequently has been buying money orders during the last few days.

"Gee, I know he seems like an okay guy," Regina Goodclerk tells the employee. "But buying so many money orders all of a sudden and just under the reporting limit, I'd rather be sure. He's a good guy, but this is just too suspicious to let go by."

Gillum says this is part of the message that postal clerks can't be too careful because anyone could be a potential money launderer. "A Little League coach could be a deacon in the church, could be the most upstanding citizen in the community, but where is that person getting \$2,800 every day?" Gillum asks. "Why would a baseball coach, a schoolteacher in town, buy [that many money orders]? Our customers don't have that kind of money. If he's a schoolteacher, if he's got a job on the side, he's going to have a bank account and going to write checks on it, so why does he want to buy money orders? That's the point."

Despite the fact that the Little League coach in the video was black, Gillum insists that the postal service tells its employees not to target by race or appearance.

One thing that should set off alarms, the postal service says, is a customer objecting to filling out an 8105-A form that requests their date of birth, occupation and driver's license or other government-issued ID for a purchase of money orders of \$3,000 or more. If they cancel the purchase or request a smaller amount, the clerk automatically should fill out Form 8105-B, the "suspicious-activity" report. "Whatever the reason, any customer who switches from a transaction that requires an 8105-A form to one that doesn't should earn himself or herself the honor of being described on a B form," the training manual says.

But the "suspicious" customers might just be concerned about privacy, says Solveig Singleton, a senior analyst at the Competi-

tive Enterprise Institute. And a professional criminal likely would know that \$3,000 was the reporting requirement before he walked into the post office. "I think there's a lot of reasons that people might not want to fill out such forms; they may simply think it's none of the post office's business," Singleton tells Insight. "The presumption seems to be that from the standpoint of the post office and the Bank Secrecy regulators every citizen is a suspect."

Both Singleton and Nojeim say "Under the Eagle's Eye" unfairly targets the poor, minorities and immigrants—people outside of the traditional banking system. "A large proportion of the reports will be immigrants sending money back home," Nojeim says. Singleton adds, "It lends itself to discrimination against people who are sort of marginally part of the ordinary banking system or who may not trust things like checks and credit cards."

There's also the question of what happens with the information once it's collected. Gillum says that innocent customers should feel secure because the information reported about "suspicious" customers is not automatically sent to the Treasury Department's Financial Crimes Enforcement Network (FinCEN) to be shared with law enforcement agencies worldwide. Although he says FinCEN wants the postal service to send all reports along to it, the postal authorities only will send the clerks' reports if they fit "known parameters" for suspicious activity. "We are very sensitive to the private citizenry and their rights," Gillum insists. "For what it's worth, we have every comfort level that, if we make a report, there are all kinds of reasons to believe that there is something going on there beyond just a legitimate purchase of money orders."

But Gillum would not discuss any of the "parameters" the postal service uses to test for suspicious activity, saying that's a secret held among U.S. law-enforcement agencies. And if a clerk's report isn't sent to the Treasury Department, it still lingers for some time in the postal-service database. Gillum says that by law the postal service will not be able to destroy suspicious-activity reports for five years.

Gillum says the postal service is very strict that the reports only can be seen by law-enforcement officials and not used for other purposes such as marketing. A spokeswoman for the consulting company Information Builders stated in an e-mail to Insight, "Information Builders personnel do not have access to this system."

Observers say problems with "Under the Eagle's Eye" underscore the contradiction that despite the fact that the postal service advertises like a private business and largely is self-supporting, it still is a government agency with law-enforcement functions.

Gibson says his agency must set an example for private businesses on tracking money orders. "Being a government agency, we feel it's our responsibility that we should set the tone," he said. The Treasury Department "basically challenged us in the mid-nineties to step up to the plate as a government entity," Gillum adds.

In fact, Gillum thinks Treasury may mandate that the private sector follow some aspects of the postal-service's program. He adds, however, that the postal service is not arguing for this to be imposed on its competitors.

In the meantime, the private sector is getting ready to comply with the Treasury regulations before they go into effect next January. But if 7-Eleven Inc., which through its franchises and company-owned stores is one of the largest sellers of money orders, is any guide, private vendors of money orders probably will not issue nearly as many sus-

picious-activity reports as the postal service. "Our philosophy is to follow what the regulations require, and if they don't require us to fill out an SAR [suspicious-activity report] . . . then we wouldn't necessarily do it," 7-Eleven spokeswoman Margaret Chabris tells Insight. Asked specifically about customers who cancel or change a transaction when asked to fill out a form, Chabris said, "We are not required to fill out an SAR if that happens." So why does the U.S. Postal Service?

That's one of the major issues raised by critics such as Postal Watch's Merritt. He says that lawmakers and the new postmaster general, Jack Potter, need to examine any undermining of customer trust by programs such as "Under the Eagle's Eye" before the postal service is allowed to go into new businesses such as providing e-mail addresses. "Let's hope that this is not a trend for the postal service, because I don't think the American people are quite ready to be fully under the eagle's eye," he says.

TRIBUTE TO LLOYD OYSTER

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 27, 2001

Mr. CAMP. Mr. Speaker, I rise today to pay tribute to Lloyd Oyster, a decorated soldier from World War II. I would like to acknowledge his bravery as a servicemen fighting on the front lines in Europe at the Battle of the Bulge. His many medals and awards demonstrate his bravery and patriotism. I am proud to stand and honor this outstanding citizen of the United States and would like to call his admirable actions to the attention of my colleagues in the House of Representatives.

I have attached for the record an article printed in the Ogemaw County Herald by Deanna Cahill about Mr. Oyster's experience as a World War II soldier.

Six decades ago, at the end of World War II, Lloyd Oyster was given a choice. The Lupton man had to decide whether or not to spend an extra few months in Europe and receive the medals he was entitled to, or return home to his wife and baby daughter.

Critically wounded in the Battle of the Bulge, Oyster didn't hesitate. He wanted to go home. He didn't regret that decision until recently, when he remarked to his youngest son, Joe, that he wished he would have stayed and received his medals.

Without letting his father know, Joe went on a mission to grant his father's wish.

On Monday, June 4, that wish was granted when Rep. Dave Camp presented Oyster, one by one, with the Good Conduct Medal, Purple Heart, European-African-Middle Eastern Campaign Medal with four Bronze Stars, the World War II Victory Medal, the American Campaign Ribbon, Combat Infantryman Badge and the Honorable Service Lapel Button WW II.

An honored but humble Oyster graciously accepted his medals from Camp, but said many others were far more deserving.

"I didn't do any more than anybody else did," he said.

Lloyd Oyster was born at home Jan. 19, 1922, to parents Joseph and Verna Mae Oyster in Lupton. The youngest of six boys, Oyster lost his mother when he was only 5 years old. She died giving birth to her seventh son. The baby died as well.

"I remember burying her," said Oyster somberly. "(After his mother died) we stayed together and Dad raised us on the farm."